



HOMEOWNER'S INSURANCE CLAIMS RESULTING FROM EVICTION CASES



DISCLAIMER

THESE GUIDELINES ARE FOR INFORMATIONAL PURPOSES ONLY. THE LAWS, REGULATIONS, AND REQUIREMENTS INFORMING THESE GUIDELINES CAN CHANGE WITHOUT NOTICE. WHEN PURSUING AN EVICTION CASE, PLEASE CHECK FOR THE MOST UP-TO-DATE CITY, STATE, AND FEDERAL (INCLUDING CDC) REQUIREMENTS.

By Kevin M. Walsh, Esq.

Most landlords have experienced receiving from a tenant under eviction the now common Answer, counterclaims, and discovery forms. When counterclaims are received, landlords must review them carefully for any possible claims that might invoke property insurance coverage.

Every landlord needs to have full insurance coverage for their rental property. If you are a landlord reading this and don't have coverage, stop and apply for coverage now.

Many counterclaims are standard and will not likely be covered by insurance. However, occasionally, a tenant will include language that can be interpreted as alleging a possible personal injury claim in their claims. Even if you are convinced that your tenant has not suffered such injuries and is making frivolous claims, do not ignore any language that might reference a personal injury claim.

Most property insurance policies will provide coverage for injuries covered under the policy's terms that occur or allegedly occur on the insured's property, so long as no insurance policy exclusions apply. Coverage generally includes payment for any money within the policy's coverage amount, which a settlement or court judgment must pay. Coverage should also include payment of legal fees for a lawyer the insurance company hires to represent you under the policy. And even if the injury claims seem false, the fact that a tenant has claimed an injury should be enough to institute insurance coverage.

Coverage is usually fully provided within the policy's coverage terms, but sometimes, an insurance company will provide coverage under what is called a "reservation of rights letter." This means that the insurance company has doubts about something like a coverage issue, but until such doubts are clarified, the insurer agrees to work on the case and supply an attorney to defend the insured.

Because claims are often vague or uncertain when a claim is first made, a landlord should contact the insurance company immediately after being notified that an injury claim might exist. While any report of a claim to one's insurer might raise future policy premiums or, in worst-case scenarios, might result in a policy cancellation, the normal process is that claims get handled without any other significant issues. But, if you become aware of a claim or potential claim, you cannot wait for a long time and then decide to notify the insurance company, as the delay might permit the insurer to deny coverage because the delay interfered with the insurance company's proper handling of the claim.

Recent cases I have seen where counterclaims included possible personal injury claims included language in a counterclaim saying such things as the tenant suffered "emotional distress and pain and suffering" and that the tenant "suffered an injury." Such wording is typically used when describing an alleged personal injury. Although other meanings may be associated with such words that are not meant to reference claimed personal injuries, I think it is always better to report even suspected injury claims and then let the insurance company do the further work needed to determine what the claims really involve.